



DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal Nos. 14-35]

36(b)(1) Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, DOD.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Ms. B. English, DSCA/DBO/CFM, (703) 601-3740.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittals 14-35 with attached transmittal, policy justification, and Sensitivity of Technology.

Dated: November 18, 2014.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

NOV 12 2014

Honorable John A. Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 14-35, concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance to Iraq for defense articles and services estimated to cost \$97 million. After this letter is delivered to your office, we plan to issue a press statement to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, appearing to read "J. W. Rixey".

for J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology
4. Regional Balance (Classified Document Provided Under Separate Cover)



Transmittal No. 14-35

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

- (i) Prospective Purchaser: Iraq
- (ii) Total Estimated Value:

Major Defense Equipment*	\$ 85 million
Other	<u>\$ 12 million</u>
TOTAL	\$ 97 million
- (iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: up to 2,000 Advanced Precision Kill Weapon Systems, weapon and test support equipment, spare and repair parts, publications and technical documentation, personnel training and training equipment, transportation, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support.
- (iv) Military Department: Navy (AAB)
- (v) Prior Related Cases, if any: None
- (vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None
- (vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex
- (viii) Date Report Delivered to Congress: 12 Nov 2014

* As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Iraq - Advanced Precision Kill Weapon System (APKWS)

The Government of Iraq has requested a possible sale of up to 2,000 Advanced Precision Kill Weapon Systems (APKWS), weapon and test support equipment, spare and repair parts, publications and technical documentation, personnel training and training equipment, transportation, U.S. Government and contractor engineering, technical and logistics support services, and other related elements of logistical and program support. The estimated cost is \$97 million.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a strategic partner. This proposed sale directly supports the Government of Iraq and serves the interests of the people of Iraq and the United States.

The proposed sale will improve Iraq's capacity to sustain security operations and strengthen its internal and external defense capabilities. The sale of APKWS will increase the Iraqi Army Aviation Command's ability to carry out operations against terrorist forces while significantly reducing risk to civilians.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be BAE Systems in Nashua, New Hampshire. There are no known offset agreements proposed in connection with this potential sale.

The proposed sale will involve multiple trips to Iraq involving U.S. government and contractor representatives for approximately 3 years for program management, program and technical reviews, training, maintenance support, and site surveys.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 14-35

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. The APKWS II All-Up-Round (AUR) is an air-to-ground weapon that consists of an APKWS II Guidance Section (GS), legacy 2.75-inch MK66 Mod 4 rocket motor and legacy MK152 and MK435/436 warhead/fuze. The APKWS is a tactical rocket system that can be launched from several platforms, offering multi-mission, multi-target capability and precision-strike lethality. These guided rockets are steered to the target by following reflected laser beam energy directed onto the target either by the launching aircraft, a second aircraft, or ground-based troops operating a laser designator. Hardware is Unclassified; information related to performance, effectiveness, vulnerabilities and counter-measure is classified up to Secret.

2. If a technologically advanced adversary were to obtain knowledge of the specific hardware and software elements, the information could be used to develop countermeasures that might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.

3. A determination has been made that the recipient country can provide the same degree of protection for the sensitive technology being released as the U.S. Government. This sale is necessary in furtherance of the U.S. foreign policy and national security objectives outlined in the Policy Justification. Any defense articles or services offered under this notification will only be delivered if the recipient has appropriate storage, security, and procedures in place to properly protect those items.

4. All defense articles and services listed in this transmittal have been authorized for release and export to the Government of Iraq.

BILLING CODE 5001-06

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